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C O N F I D E N T I A L SECTION 01 OF 03 SUVA 000420

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TAGS: PREL PGOV MARR ASEC ECON CASC FJ
SUBJECT: FIJI UPDATE 8/24/07: NERVOUSNESS IN THE STREETS;
EU APPROACH TO AID; ELECTION PREPARATIONS; TELECOMMS
OPENING

REF: SUVA 416

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

Summary

¶1. (C) Contacts are increasingly nervous that ethnic-Fijian unhappiness with Commodore Bainimarama's interim government (IG) could erupt. The surface remains calm. Media report a draft EU decision document re sugar-reform aid would keep pressure on the IG to hold credible elections by early 2009. The IG's search for a Supervisor of Elections is now orienting abroad, including to PNG. Fiji Human Rights Commission Director Shameem continues to behave oddly. She has told some journalists she and Bainimarama are driving IG policy. The IG has chosen an interesting group of chiefs to propose reforms to the Great Council of Chiefs (GCC). Another military officer has formally taken a senior civilian position: PermSec for Justice. The IG appears to be opening the free-to-air TV and mobile-phone sectors to competition.
End summary.

Stirrings among ethnic-Fijians

¶2. (C) A variety of well-connected contacts in Suva are increasingly nervous about the state of play in the ethnic-Fijian community. As we have reported, Commodore Bainimarama's removal of the Qarase Government, just six months after ethnic-Fijians voted overwhelmingly for that Government contrary to the vocal recommendation of Bainimarama, has left large numbers of ethnic-Fijians disgruntled. The surface has appeared calm, but many have reported deep unease underneath. A savvy ethnic-Fijian newspaper editor told us this week that, if an election were held today or probably within the foreseeable future, 85% or more of ethnic-Fijians would back Qarase's SDL party. Another editor said he believes "blood in the streets" is inevitable unless Bainimarama steps aside, which nobody sees happening. Some have noticed that an annual Methodist conference in Suva this week has attracted an unusual concentration of high chiefs. There are rumors that some former military officers, who have stayed dormant til now, are stirring toward action. Comment: It is impossible to know if an eruption will actually occur. We remain watchful.

EU funding dependent on electoral progress?

¶3. (C) Suva media spotted a draft decision document regarding

Fiji on the EU's website. The document, prepared for consideration at a future meeting of the European Commission, recommends a careful process of releasing EU sugar-assistance funding to Fiji over the coming years. The EU has already agreed to release about US\$5 million from a 2006 pre-coup allocation. The document recommends no additional funding for 2007, an allocation for 2008 only if there is evidence of credible and timely preparation for elections, and an allocation for 2009 if a legitimate government is in place. If a legitimate government continues thereafter, funding would continue to flow, totaling up to US\$165 million for the period to 2014. Interim Finance Minister Chaudhry, who had previously suggested publicly to his cane-grower constituents that large amounts of EU sugar money were imminent, now has acknowledged publicly that no EU sugar finding is expected for 2007, except for the soon-to-be-accessed 2006 funding. Chaudhry suggested "caveats" in the interim government (IG) commitments to the EU could allow a delay of elections without a cut of EU funding. Comment: We are aware from EU reps here that the intention is to hold back the bulk of sugar assistance until after the proposed early 2009 elections, keeping the IG's feet to the fire.

Search for Elections Supervisor continues

¶4. (C) A second effort by the IG Public Service Commission (PSC) to recruit a Supervisor of Elections locally has failed to produce an acceptable candidate, according to interim Attorney General Sayed-Khaiyum. The IG will now search abroad. The IG promised the EU to have a Supervisor of Elections in place by September 2007. Sayed-Khaiyum said the IG may seek to advertise the job via the EU. Comment: The failure to produce a name could be an effort to slow the

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election-preparation process, though Sayed-Khaiyum blames the problem on Australia, New Zealand, and others who have visa sanctions in place. Some others in the region will seek to ensure a suitable Supervisor becomes rapidly available. We understand that PNG PM Somare recommended two PNG citizens to interim FM Nailatikau. The New Zealanders have heard positive reports on one of them: former PNG Electoral Commissioner Henry Veretau.

FHRC's Shameem claims to play a lead role in IG

¶5. (C) Fiji Human Rights Commission (FHRC) Director Shaista Shameem has threatened to sue the Fiji Times and Fiji Sun newspapers over their "harassment" of James Anthony, the person leading the FHRC's inquiry into media freedom. The Times responded by editorial on 8/23 proposing that if anyone should be sued it is Shameem for threatening the free press that is guaranteed under the Constitution. Comment: We are told that when Shameem visited the Fiji Post newspaper six weeks ago she told the editors not to bother observing the interim Cabinet or the NGO community, since Shameem and Bainimarama are the ones driving IG policy. The editor of the Post was startled at the statement, even if it was said "off the record." As Director of the FHRC and recently named Ombudsman, Shameem is supposed to be studiously neutral in her approach, working purely to protect human rights. We are certain Shameem and Bainimarama consult, but we expect Shameem was greatly exaggerating her influence over IG policy.

GCC reform committee selected

¶6. (C) Fijian Affairs Minister Ganilau has named six high chiefs to a committee to review the Great Council of Chiefs (GCC). The leader of the review is Ratu Tu'uakitau (Tuki) Cokanauto, younger brother of interim Foreign Minister Nailatikau, whom the GCC declined to endorse as Vice President in April. Ratu Tuki has been quiet since the coup. He has an independent streak. Several on the committee reportedly have relatively solid reputations. One member is high chief for PM Qarase's home village Mavana. Qarase is a commoner. Ratu Tuki suggested the mandate for the committee

is to seek ways the GCC can be better organized to do its job more effectively. Comment: Any formal changes to the Fijian Affairs Act or the Constitution, the sources of the GCC's powers, should require action by Parliament, though Ganilau has suggested he can implement reforms via Presidential decree.

Military PermSec for Justice

¶7. (U) The Public Service Commission, with interim PM Bainimarama's blessing, has named three more Permanent Secretaries. Army LtCol. Pio Tikoduadua has become PermSec

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for Justice. He has acted in that role since the coup. He has a graduate diploma in "Strategy in Defense Studies," but has no legal training. Savenaca Kaunisela is PermSec for Provincial Development and Multi-Ethnic Affairs. He is a 30-year civil servant and most recently has run government operations in Fiji's West. Malakai Tadulala is PermSec for Agriculture. He is a 28-year civil servant and most recently has been Deputy Secretary in the interim PM's office.

Opening up Telecomms

¶8. (SBU) The interim Minister for Commerce, Taito Waradi, is taking his telecommunications-reform portfolio seriously. In a sector that has been mostly government-dominated monopolies, he has granted licenses in recent weeks to four firms that want to compete with Fiji TV in the free-to-air television market. In late July, the IG called for tenders on licenses to operate mobile phone services, until now an exclusive franchise of Vodafone. One other company, Pacific Connex, received a tentative license from the Qarase Government before the coup but its owner became a target of post-coup investigations and has not followed through. Connex this week launched a court case to block the granting of more licenses. Comment: It seems certain that Fiji's small market cannot support five TV stations or three mobile-phone companies. On the other hand, the way to sort out winners and losers is to let them compete. Waradi may deserve kudos for attempting just that, though it remains to

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be seen how viably-resourced some of the new licensees are. The government-affiliated monopolies have long said they will welcome competition, so long as their investors are appropriately compensated. It does not appear the IG has solved that part of the equation yet. Lawsuits may follow.

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